

UTAH INTERNATIONAL INC.

550 CALIFORNIA STREET • SAN FRANCISCO, CALIFORNIA 94104

CABLE ADDRESS: UTAHINTL • (415) 981-1515

1 May 1980

Dennis R. Dalley, Associate Director
Division of Environmental Health
Department of Health
150 W. N. Temple
Salt Lake City, Utah 84103

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DIVISION OF
OIL, GAS & MINING

Dear Mr. Dalley:

On 24 April 1980, I and two members of Utah International's Environmental Quality Department met with several of your staff (attendance list attached). The purpose of the meeting was to discuss Utah's permit requirements for water quality/hydrology, solid waste management and sanitation. You no doubt will recall from the June 1979, "pre-design conference" you coordinated that we intend to relocate our iron ore mill from Iron Springs to the Comstock area. The relocation will involve some expansion of the present Comstock operation in the form of a new mill, tailings dam and support facilities. Presently, crushing, stockpile and railroad load-out facilities are at Comstock in addition to the open pit mining operation.

The meeting was scheduled last week to begin to move forward on water-related permits from the Division of Environmental Health. I might add that we met with L. C. Broadhead in the Bureau of Air Quality the week before to identify the requirements for the air quality construction permit.

We are giving the air quality permit the highest immediate priority because it is critical to our planned mill construction start date of 1 July 1980. We expect to submit a complete package to the Bureau of Air Quality no later than 15 May. Because we are well below the EPA requirements for a Prevention of Significant Deterioration permit, we hope that our application can be processed expeditiously.

Based on our meeting with your staff on 24 April, we concluded that permits and approvals, other than for air quality, are not essential to the construction of the mill. Construction of the tailings dam and support facilities, however, will require

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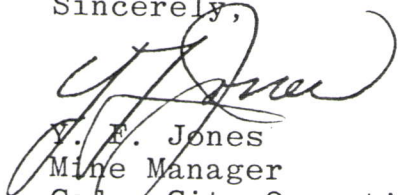
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the appropriate permits and approvals from the Bureaus of Water Pollution Control, General Sanitation, Solid Waste Management and Public Water Supplies. Since we do not plan to begin construction on the tailings dam and support facilities until late 1980 or early 1981 (see attached "Cedar City Comstock Project Preliminary Schedule"), we plan to submit the required information as engineering design and detail progress. We would, however, appreciate a site visit and preliminary approval of the location of the tailings basin as soon as possible. A copy of the preliminary investigation of the site location performed by Soil Testings Services is attached for your information.

In summary, it is our understanding that an approved air quality permit is required before we can begin construction on the mill in July. However, all other permits and approvals required by the Division of Environmental Health relate to other phases of our mill relocation which are not scheduled to begin until late 1980 or early 1981. Therefore, we will submit the required information as soon as it becomes available, and will be awaiting your early approval of the tailings dam proposal.

We would appreciate a response to this letter confirming our understanding, our planned construction and permit approval sequence. If you have any questions or need further information, please call me.

Sincerely,


V. E. Jones
Mine Manager
Cedar City Operations

Attachments

cc: S. C. Davis
T. J. Suchoski, Div. of Oil, Gas and Mining ✓